



U.S. Department of Justice

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For Immediate Release:

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EVENT: Guilty Plea

Defendant: Pasquale John DiPofi et al

**TWO MACOMB MEN PLEAD GUILTY
IN SCHEME TO DEFRAUD SIERRA LEONE GOVERNMENT**

A resident of New Baltimore pleaded guilty yesterday to conspiracy, wire fraud, and income tax evasion in connection with a scheme to defraud the government of Sierra Leone, Africa that took place in 2001-2002, United States Attorney Stephen J. Murphy announced.

Murphy was joined in the announcement by Daniel Roberts, Special Agent in Charge, FBI, and Maurice Aouate, Special Agent in Charge, IRS Criminal Investigation Division.

Pasquale John DiPofi, 35, of New Baltimore, Michigan entered the guilty plea in United States District Court before Judge Victoria A. Roberts. His codefendant, Christopher Belan, 42, of Macomb Township, Michigan, had previously pleaded guilty, on October 20, 2006, to conspiracy to commit wire fraud.

United States Attorney Murphy said, "This is a case of international corporate ID theft, where the defendants tried to assume the identity of a legitimate South African company that was owed \$23 million by the government of Sierra Leone. Such chicanery resulted in a

criminal conviction rather than a windfall profit, thanks to the hard work of the Internal Revenue Service.”

Information presented to the court during the plea proceedings showed that Mr. DiPofi ran a private security business under the name of Executive Outcome, Inc., (EO), in Mt. Clemens, Michigan. Mr. Belan worked for Mr. DiPofi in this business. In late 2001 EO was contacted by Audax Trading Limited, a British firm, with regard to a debt of approximately \$23 million owed by the Government of Sierra Leone, Africa. In fact, Executive Outcomes, South Africa, (EOSA) an unrelated company, had provided military equipment, military security, and training to the Government of Sierra Leone in 1995-1997, and EOSA was then making debt recovery efforts through the Sierra Leone legal system. Audax’s contact with the defendants’ company, EO, was a mistake, due to the similarity in the companies’ names. The defendants’ company, EO, in fact had no connection with EOSA and had no claim to the debt owed by Sierra Leone to EOSA. Mr. DiPofi and Mr. Belan then hired Audax as their collection agent, even though they knew that their company EO did not perform any services for the Government of Sierra Leone, nor were they owed any monies for services rendered. DiPofi and Belan proceeded to create fraudulent documents which were provided to Audax and to the Government of Sierra Leone to support their claim that they were the true owners of the debt. In addition, during August and September 2002, Mr. DiPofi and Mr. Belan caused threatening communications to be sent to Michael Grunberg, in Paris, who was representing the legitimate claimants to the debt.

Under the terms of their plea agreements, Mr. DiPofi faces a sentence of up to 46 months in prison and a fine of up to \$250,000, and Mr. Belan faces a sentence of up to 37 months in prison and a fine of up to \$250,000.

Sentence will be imposed by United States District Judge Judge Julian A. Cook. A sentencing date has not yet been set. Both defendants will remain free on bond pending sentencing.